
SUPPLEMENTARY PROSPECTUS

MGC Pharmaceuticals Ltd (formerly Erin Resources Limited) ACN 116 800 269

1. Important Information

This Supplementary Prospectus is dated 11 February 2016 and is supplementary to the prospectus dated 18 December 2015 (**Prospectus**) issued by MGC Pharmaceuticals Ltd (formerly Erin Resources Limited) ACN 116 800 269 (**Company**).

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 11 February 2016. ASIC does not take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning where used in this Supplementary Prospectus. For the avoidance of doubt, references to 'Section' in this Supplementary Prospectus mean references to that section of the Prospectus, unless otherwise stated.

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

Other than the changes set out below, all other details in relation to the Prospectus remain unchanged.

2. Reasons for Supplementary Prospectus

2.1 Purpose of this document

The purpose of this Supplementary Prospectus is to:

- (a) provide disclosure about a loan facility that the Company has entered into for additional working capital; and
- (b) provide an updated capital structure following the cancellation of options.

2.2 Application Forms

As the content of this Supplementary Prospectus is not considered to be materially adverse to investors, applicants who have already subscribed for Securities under the Prospectus to the date of this Supplementary Prospectus do not need to take any action.

3. Amendments to the Prospectus

3.1 Working Capital Facility

The Company provides the following information regarding a working capital facility that it has entered into:

On 10 February 2016, the Company entered into a loan facility agreement with Skye Alba Pty Ltd (**Loan Facility**) on behalf of a lending syndicate, pursuant to which Skye Alba has agreed to provide the Company with a working capital facility of up to \$1,000,000.

The facility will provide the Company with additional working capital to expedite its proposed business activities (refer to Section 7 of the Prospectus for details of the Company's proposed business activities following completion of the acquisition of the MGC Group).

This is a supplementary prospectus intended to be read with the prospectus dated 18 December 2015 issued by MGC Pharmaceuticals Ltd (formerly Erin Resources Limited) (ACN 116 800 269).

The terms of the Loan Facility provide that the full \$1,000,000 of the facility will be drawn on 12 February 2016.

The loan is fully secured by a general security deed over the Company and all its assets and the loan is repayable on 10 February 2018. Interest of 10% per annum, calculated on the loan amount, will be payable quarterly during the term. The Company will pay a 5% establishment fee which will be paid on the principal repayment date of the loan

The Loan Facility contains customary events of default and covenants for an agreement of its nature including:

(a) **Insolvency event**

The Borrower is, or is or may be deemed within the meaning of any applicable law to be, insolvent or unable to pay its debts; and

(b) **Other Default**

The Borrower defaults in the due performance of any undertaking, condition or obligation on its part to be performed in accordance with this agreement and has not rectified such default within 10 Business Days of being requested to do so in writing by the Lender.

3.2 Financial Effect of the Loan Facility

The financial effect of the working capital facility under the Loan Facility will be to:

- (a) increase the cash position of the Company to \$1,935,889; and
- (b) increase the Company's non-current liabilities by \$1,000,000.

3.3 Use of Funds

As at 31 January 2016, the cash position of the Company is \$935,889. Following draw down of the working capital facility the Company will have \$1,935,889 cash.

A revised use of funds table to replace the use of funds table in Section 6.6 of the Prospectus is set out below.

Source of funds	
Cash and equivalents on hand	\$1,925,889
Funds raised under the Public Offer	\$10,000
Total funds available	\$1,935,889
Use of funds	
Slovenian Growing Facilities and Operating Costs	\$485,000
Extraction and Laboratory Facilities	\$325,000
Ananda Cosmetics Joint Venture – Cosmetic Product Line	\$225,000
Corporate Overheads and Operating Costs	\$450,000
CBD Genetics Research and Development Costs	\$250,000
Working Capital	\$55,418
Costs of the offer ¹	\$145,471
Total funds applied	\$1,935,889
Notes:	
1. Refer to Section 14.11 for further details of the costs of the Offers.	

3.4 Additional Risk Factor

As a result of the working capital facility, the following risk will be associated with an investment in the Company:

Repayment of Debt

The working capital facility under the Loan Facility will become repayable on 10 February 2018.

If at this date the Company is unable to repay the working capital facility, either through funds received from the Company's business operations or an equity raise, or is unable to refinance the working capital facility, then the lender of the working capital facility may enforce its security over the Company and its assets and the Company may become an externally-administrated body corporate.

3.5 Cancellation of Options

Following the issue of the Prospectus, the Company granted 20,000,000 New Options in respect of the underwriting of the exercise of the Company's Options that expired on 30 June 2015. Due to a change in circumstances and in consultation with the Company, each of the holders of the New Options has agreed to the cancellation of their New Options for no consideration and the Company have cancelled these Options for no consideration concurrently with lodging this Supplementary Prospectus.

Accordingly, the capital structure of the Company following completion of the Offers and the Acquisition will now be as follows:

Equity component	Shares ¹	Options ²	Performance Shares ³
On issue as at date of Prospectus	507,586,552	53,500,000	-
Issued pursuant to the Public Offer	500,000	-	-
Issued pursuant to the MGC Offer	200,000,000	-	100,000,000
Issued to service providers	3,346,700 ⁴	-	-
Total following completion of the Acquisition and Offers	711,433,252	53,500,000	100,000,000
Notes:			
1. Rights attaching to Shares are summarised in Section 14.1 of the Prospectus.			
2. Further details in respect to the terms and conditions of the Options are outlined in the Options table below.			
3. Rights attaching to the Performance Shares are summarised in Section 14.2 of the Prospectus. Performance Shares will convert into Shares on achievement of the Milestone.			
4. To be issued to Media and Capital Partners in lieu of fees owing for professional services provided to the Company.			

In addition, following completion of the Offers and Acquisition the Company will now have 53,500,000 Options on issue as outlined below.

Options	Number
On issue at the date of this Prospectus	
Unlisted Options each exercisable at \$0.20 on or before 30 June 2017	4,000,000
Unlisted Options each exercisable at \$0.30 on or before 23 January 2018	1,000,000
Unlisted Options each exercisable at \$0.35 on or before 23 January 2018	500,000
Unlisted Options each exercisable at \$0.40 on or before 23 January 2018	500,000
Unlisted Options each exercisable at \$0.025 on or before 30 June 2017	36,250,000
Unlisted Options each exercisable at \$0.04 on or before 30 June 2017	11,250,000
Total Options following completion of the Offers	53,500,000

This is a supplementary prospectus intended to be read with the prospectus dated 18 December 2015 issued by MGC Pharmaceuticals Ltd (formerly Erin Resources Limited) (ACN 116 800 269).

4. Directors' Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.

This Supplementary Prospectus is signed for and on behalf of Company by:



Brett Mitchell
Executive Chairman

11 February 2016